Newfoundland Labrador

**DEPARTMENT OF FINANCE**
**TAX ADMINISTRATION DIVISION**

**Bulletin No. Tob 427**
**Issue Date: April 14, 2016**

# TAX INFORMATION BULLETIN
# TOBACCO TAX

Effective 12:01 a.m., April 15, 2016, the provincial tobacco tax imposed on tobacco products under Part IX of the *Revenue Administration Act* will increase as follows:

| Product | New Rate | Old Rate |
|---|---|---|
| **Cigarettes** | 24.5 cents per cigarette | 23.5 cents per cigarette |
| **Tobacco, other than cigarettes and cigars** | 40 cents per gram | 38 cents per gram |
| **Cigars** | 125% of the purchase price - rounded to nearest 1/100 of a cent | 125% of the purchase price - rounded to nearest 1/100 of a cent |

## Reporting Requirements

Tobacco tax collectors who are responsible for remitting this tax are reminded that they are required to collect the new rates of tax on all sales or deliveries effective 12:01 am, Friday, April 15, 2016. If a collector has invoiced the old rate of tax for sales or deliveries after that time he or she is required to issue an adjusting invoice for the additional tax. **Failure to collect the new rates of tax will result in the imposition of a penalty equal to the tax that should have been collected.**

Tobacco wholesalers who maintain tax paid inventories must also take and record their existing inventory of tobacco products effective 12:01 am, Friday, April 15, 2016. The *Declaration Return of Tobacco Products Inventory* must be completed and filed in conjunction with the May 2016 return, along with the additional tax payable resulting from the increased tobacco tax rates.

Tobacco retailers must also take and record their existing inventory of tobacco products as of 12:01 am, Friday, April 15, 2016. The *Tobacco Retailer Inventory Return* must be completed and submitted with the additional tax payable resulting from the increased tobacco tax rates no later than May 20th, 2016. Retailers must file a nil return if there is no tobacco tax due on inventory.

**Failure to submit the inventory return by May 20th, 2016 will result in the imposition of a $100 late filing penalty and may result in the assessment of a penalty equal to the tax that should have been submitted.**

Further information regarding this change may be obtained by contacting:

Department of Finance
Tax Administration Division
P. O. Box 8720
St. John's, NL
A1B 4K1

Phone: (709) 729-6297
Toll Free: 1-877-729-6376
Fax: (709) 729-2856
email: taxadmin@gov.nl.ca

**Disclaimer:** This bulletin is prepared as a guideline and interpretation of the statutes. Where a conflict between the bulletin and statutes arise, the statutes will take precedence.